

MINUTES

MONTANA SENATE 56th LEGISLATURE - REGULAR SESSION

COMMITTEE ON JUDICIARY

Call to Order: By **CHAIRMAN LORENTS GROSFIELD**, on April 13, 1999
at 10:07 A.M., in Room 325 Capitol.

ROLL CALL

Members Present:

Sen. Lorents Grosfield, Chairman (R)
Sen. Al Bishop, Vice Chairman (R)
Sen. Duane Grimes (R)
Sen. Mike Halligan (D)
Sen. Ric Holden (R)
Sen. Reiny Jabs (R)
Sen. Walter McNutt (R)

Members Excused: Sen. Steve Doherty (D)
Sen. Sue Bartlett (D)

Members Absent: None.

Staff Present: Judy Keintz, Committee Secretary
Valencia Lane, Legislative Branch

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: None
Executive Action: HB 516

EXECUTIVE ACTION ON HB 516

Motion: SEN. GRIMES moved that HB 516 BE AMENDED, HB051602.av1,
EXHIBIT(jus80a01).

Discussion:

CHAIRMAN GROSFIELD explained that the amendments, HB051602.av1,
struck the Whereas clauses with the exception of the first two.

Amendment no. 6 restricts the study to several sections of law. He provided copies of these sections, **EXHIBIT(jus80a02)**. This would not include cooperatives or the U.S. Government. It would include items subsection (6). Section 15-6-201 would include (b) which addresses buildings zoned by churches used for religious worship, (c) agriculture and horticultural societies, (d) cemetery proprietries, (e) land leased from government entities used for charity, (g) museums, etc., and (o) specific property.

SEN. GRIMES remarked that he had prepared an amendment that would allow the study to review health care systems.

Ms. Lane explained that the amendment he was referring to only addressed the whereas clause. If he wanted this addressed in the substance of the bill, it should be placed in new section one.

SEN. HALLIGAN asked for clarification of what would be included in the study with amendments HB051602.av1. **CHAIRMAN GROSFIELD** explained that the study would review the tax exempt status in reference to property tax and income tax relative to the entities that remain in the bill. The amendment would limit this to a few of the items in 15-6-201. Property tax issues are found in 15-6-201 and income tax issues are found in 15-31-102. The study would look into tax exemptions. There may be some non-profit and charitable entities engaged in commercial activities. The study will review these entities with respect to taxation issues.

SEN. GRIMES asked if churches were listed in 102. **CHAIRMAN GROSFIELD** clarified that (d) spoke to real property that may be owned or used by a religious, charitable, scientific, or educational purposes.

SEN. HALLIGAN related that the Department of Revenue (DOR) had an ongoing rule making process that addressed the tax exempt status of federally designated non-profit agencies.

CHAIRMAN GROSFIELD added that this interim study would be reviewed by the Legislative Services Division for placement on the priority list. The Committee could request input from the DOR.

SEN. GRIMES remarked that, with the amendments, the focus of this study will be in the health care arena. He added that this was similar to **SEN. WATERMAN'S** study bill.

Vote: Motion carried 6-3 with Bartlett, Doherty, and Halligan voting no.

Motion/Vote: SEN. GRIMES moved that HB 516 BE AMENDED, HB051601.av1., **EXHIBIT**(jus80a03), Amendment no. 1. The motion carried unanimously.

Motion: SEN. MCNUTT moved that HB 516 BE CONCURRED IN AS AMENDED.

Substitute Motion/Vote: SEN. HALLIGAN moved that HB 516 BE TABLED. The motion failed on roll call vote.

Vote: Motion carried 6-3 with Bartlett, Doherty, and Halligan voting no.

ADJOURNMENT

Adjournment: 10:25 A.M.

SEN. LORENTS GROSFIELD, Chairman

JUDY KEINTZ, Secretary

LG/JK

EXHIBIT (jus80aad)